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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH**

ERIC SCHIERMEYER, Derivatively on Behalf
of Nominal Defendant, BLOCKCHAIN GAME
PARTNERS, INC. D/B/A GALA GAMES,
Plaintiff,

vs.

WRIGHT W. THURSTON and TRUE NORTH
UNITED INVESTMENTS, LLC,
Defendants,

and

BLOCKCHAIN GAME PARTNERS, INC.
D/B/A BGP GAMES,
Nominal Defendant.

TRUE NORTH UNITED INVESTMENTS,
LLC, Derivatively on Behalf of Nominal
Defendant, BLOCKCHAIN GAME
PARTNERS, INC. D/B/A GALA GAMES,
Counterclaimant,

vs.

ERIC SCHIERMEYER,
Counterdefendant,

**DECLARATION OF WRIGHT
THURSTON IN SUPPORT OF
TEMPORARY RESTRAINING ORDER**

Case No. 2:23-cv-00589-HCN-DAO

Judge Howard C. Nielson

Magistrate Judge Daphne A. Oberg

and BLOCKCHAIN GAME PARTNERS, INC. D/B/A BGP GAMES, Nominal Counterdefendant.	
TRUE NORTH UNITED INVESTMENTS, LLC, Crossclaim Plaintiff, vs. BLOCKCHAIN GAME PARTNERS, INC. D/B/A BGP GAMES, Crossclaim Defendant.	

1. I, Wright Thurston, am over the age of 18 and have personal knowledge of the facts set forth in this declaration. If asked to testify, I could and would competently testify thereto.

2. Prior to the instant litigation between myself and Eric Schiermeyer, we engaged in (ultimately fruitless) settlement negotiations. During that period, I requested—multiple times—that Schiermeyer agree to mediate and/or arbitrate this matter. Schiermeyer rejected each request, which eventually precipitated the lawsuits we are involved in today.

3. On May 26, 2023, I became concerned about a scheme by Schiermeyer to steal True North’s Founders Node Licenses and to distribute them to BGP employees. My concern arose from a communication to BGP employees attached hereto as **Exhibit 1**, which announced a proposed distribution of 8,000 Founders Nodes to BGP employees. BGP does not own nodes as a corporation that it could provide to these employees. Accordingly, BGP would have to either provide new node licenses or it would have to confiscate previously distributed nodes from existing node owners and redistribute them to BGP employees. Because there are less than 8,000 node licenses remaining from the initial 50,000 that were created (each of which has a unique

alphanumeric identifier), BGP could not simply draw from that pool to fulfill Schiermeyer's promise. Instead, it seemed clear that Schiermeyer's scheme was to somehow confiscate True North's 7,000 nodes as well as Connect's (another entity I am affiliated with) 1,000 nodes in order to get to his promised 8,000 node number.

4. Days earlier, on May 19, 2023, my attorneys had sent a cease and desist letter to Schiermeyer due to a concern that he would continue to take unauthorized actions harmful to the Company, its shareholders, its community, and me. Once I became aware of the May 26 announcement, I became even more concerned that Schiermeyer would attempt to harm me and my family directly by stealing True North's Founders Node Licenses.

5. I communicated my concern that Schiermeyer was attempting to steal the Founders Nodes from my family and myself for this employee plan. In response, Schiermeyer represented at that time that the plan to provide BGP employees 8,000 nodes was on hold and would not be moving forward.

6. On October 10, 2023, at approximately 1:16 p.m. MDT (Just over 12 hours after the Court issued its memorandum decision denying his application for a temporary restraining order), I received an email from Schiermeyer, claiming he was acting in his capacity as President of BGP. The email read: "This is a letter regarding Gala Nodes" and attached a letter. A true and accurate copy of the email and letter (together, "Letter") are attached collectively hereto as

Exhibit 2.

7. The Letter explains that, under Schiermeyer's direction, BGP had unilaterally suspended (*i.e.*, turned off) the approximately 7,000 nodes belonging to True North. True North is comprised of eight individual trusts with eight separate beneficiaries, none of which have

engaged in any behavior warranting cancellation. Not only have the nodes been suspended, but they have been removed from True North's account. In essence, BGP and Schiermeyer have effectively stolen them from True North—which BGP and Schiermeyer must do in order to keep the commitment to distribute 8000 nodes to BGP employees. In his Letter, Schiermeyer claimed to base this action on his own unproven and contested “allegations and representations” in this case, all of which occurred several years ago. Exhibit 2 at 1. Thus, Schiermeyer cites to nothing more than his own lawsuit's dated allegations, which are yet to be proven through discovery and evidence in this matter, as justification for the punitive action of unilaterally suspending True North's nodes.

8. Schiermeyer further claims that he turned off True North's nodes because I have (allegedly) breached BGP's Terms and Conditions by “dumping” earned GALA. This claim is baseless, and is nothing more than a disingenuous pretext to support his unilateral punitive action. Over the past year or more, Schiermeyer has altered BGP's Terms and Conditions unilaterally, distorting the Company far from what it was originally intended to be. I have been transacting with GALA generated by True North's nodes—as any node-holder is entitled to do—in a consistent manner over the last four months, including before this lawsuit was filed. The assertion that these transactions constitute “dumping” is simplistic and incorrect, as an examination of the underlying blockchain would show. The blockchain also reveals the hypocrisy of Schiermeyer's current campaign to strip True North of the GALA generated by its nodes, as it shows a clear pattern of BGP dumping millions of GALA (at Schiermeyer's direction) on nearly a daily basis in recent months.

9. I have not violated the Gala Node terms of service nor taken any “new” action since the filing of this lawsuit that would justify Schiermeyer’s unilateral decision to shut off True North’s nodes. Notably, despite being the owner and operator of the affected nodes, True North is not even mentioned in the Letter. I have done nothing in this matter besides simply defend myself and True North from Schiermeyer’s self-help campaign to freeze assets—which benefits him personally and not only harms me and True North, but also the GALA community at large. My efforts to defend myself and True North in this lawsuit and to protect BGP and its shareholders from Schiermeyer’s acts of self-dealing and fiduciary breaches do not warrant his vindictive action of disabling and theft of True North’s nodes without prior adjudication in this Court.

10. As I said above, True North’s nodes, which have a stated value in excess of \$700 million (the price for a single Gala node on BGP’s website is \$100,000, *see* <https://app.gala.games/nodes/founders-node/buy>), have been operating for several months and, during this period, these nodes have generated significant amounts of GALA worth over \$1 million per month. By turning these nodes off (within hours of failing to get the temporary restraining order he sought), Schiermeyer has unilaterally changed the status quo and is causing significant ongoing harm to me and True North (and thereby my wife and kids) by restricting my right as the manager of True North to control and monetize True North’s nodes and the GALA generated therefrom. Equally damaging is Schiermeyer’s efforts to paint me in a false and defamatory light by releasing and publishing his Letter to the GALA community in which I play a significant role as the lead designer and inventor of the underlying blockchain ecosystem.

11. I am concerned that I will not be able to recover the value lost from these nodes for each day they are off, for several reasons. By design, only a certain number of GALA tokens per day will ever be created and earned through the Gala Blockchain. Each day my nodes are not on, the GALA I should be earning is going to other users. If Schiermeyer is collecting and keeping the GALA that True North should be earning, I worry that he may well burn it, as he has already done previously, destroying it (and its value) forever. At the very least, it would be very difficult, if not impossible, to calculate how many rewards True North would have received through the blockchain distribution if its nodes had been on and at what price those rewards should be valued. It is a complex algorithm that would require large amounts of data (much of which has been wrongfully made unavailable to me, despite my position as a Director) to be able to estimate how much GALA a user with 7,000 nodes would earn each day. Such calculations are much more difficult, if not impossible, to determine if the required input is not there in real time—as it is not a static amount of “each node earns X GALA tokens,” but instead is a dynamic amount dependent on many actions of users across the world on each given day.

12. Moreover, given the volatility of the price of GALA on a given day, the possible devaluation of the currency in the future, and the real possibility that Schiermeyer and BGP may already be or may become insolvent due to his mismanagement, I am concerned that BGP and Schiermeyer will not be able to compensate True North for the value of its lost GALA—the millions of dollars that will be owed for the months that the nodes are offline.

13. These concerns have grown more severe as I recently became aware of a new lawsuit filed against BGP showing that it owes a substantial amount of money to software studio partners. See **Exhibit 3**. I do not have insight into BGP’s financials (because Schiermeyer has

actively blocked me from accessing them), but given that BGP is having trouble paying partners for overdue invoices, it will certainly have trouble paying the millions of dollars that will be owed to True North for each month that True North's nodes are offline or the hundreds of millions that would be lost if the theft of those nodes is not immediately reversed.

14. Perhaps most troubling, on October 30, 2023, I became aware that Schiermeyer is in fact moving forward with his plan to distribute the 8,000 Founders Node Licenses to employees of the company as reflected in the company communication attached as **Exhibit 4**. So not only are True North's nodes not generating GALA on a daily basis, they are also in imminent danger of nonconsensual transfer under Schiermeyer's latest scheme. Once transferred to these third parties, it would be virtually impossible to get them back.

I declare under penalty of perjury under the laws of the state of Utah and of the United States that the foregoing is true and correct.

DATED: 11/06/2023

/s/ Wright Thurston
Wright Thurston

CERTIFICATE OF SERVICE

I hereby certify that on the 6 November 2023, a true and correct copy of the foregoing was filed with the Court's electronic filing system and thereby served on counsel of record.

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/s/ Candy Long